



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
Telephone: (562) 699-7411, FAX: (562) 699-5422
www.lacsd.org

STEPHEN R. MAGUIN
Chief Engineer and General Manager

November 29, 2007

File: 31-150.13.10

Boards of Directors
County Sanitation Districts Nos. 27
and 35 of Los Angeles County

Directors:

The consolidated agenda includes the following items for the regular meetings of the Boards of Directors of the Districts meeting Tuesday, December 11, 2007.

1. Certificate of Presiding Officer/Chairperson Pro Tem. The new Chair and Chair Pro Tem of the Board of Supervisors automatically become the Chairperson and Chairperson Pro Tem of the Boards of Directors of these Sanitation Districts.

2. Approval of Minutes. Copies of the minutes have been provided to each of the Directors.

3. Approval of Departmental Invoices. A departmental invoice is an internal document that transfers each District's proportionate share of expenditures made by District No. 2, the administrative District, on behalf of the participating Districts in accordance with authority granted through joint agreements. During the month, charges are made to a clearing account which is administered by District No. 2 and then are distributed at month end according to said agreements.

4. Approve Resolution Adopting the Records Management Policy of the County Sanitation Districts of Los Angeles County (Policy) Pursuant to Government Code Sections 60201 and 60203. Recently enacted law allows for the destruction of business records that no longer have a business purpose or a legal requirement to be maintained. In addition, amendments to the Federal Rules of Civil Procedure impose new requirements for the production of electronic records. The proposed Policy will allow implementation of procedures for the maintenance and systematic destruction of District records while ensuring compliance with state and federal requirements. The Policy also addresses records management associated with existing or potential litigation. Systematic destruction of records will reduce costs and ensure compliance with legal requirements. The Resolution and Policy are attached.

5. Approve Investment Policy and Renew Delegation of Authority to District Treasurer. In accordance with the California Government Code the District annually reviews its investment policy and delegation of authority to the District Treasurer (Chief Engineer and General Manager) to invest and reinvest District funds or to sell or exchange securities. A copy of the District investment policy is attached and no changes are being recommended. The matter has been discussed with the Personnel Committee, comprised of the Chairperson of each District Board.

Very truly yours,

Stephen R. Maguin

SRM:tg

Notice and Agenda

REGULAR MEETING — BOARD OF DIRECTORS — COUNTY SANITATION DISTRICTS
NOS. 27 AND 35

To be held in the HEARING ROOM
OF THE BOARD OF SUPERVISORS
Kenneth Hahn Hall of Administration, Los Angeles, California

TUESDAY		December 11, 2007		At 9:30 A.M.
ANTONOVICH	KNABE	BRATHWAITE BURKE (Chairperson)	MOLINA	YAROSLAVSKY

1. Recommendation: Receive and order filed certificate of the Presiding Officer of the Board of Supervisors and the action electing the Chairperson Pro Tem (both Districts).

2. Recommendation: Approve minutes of the regular meetings held September 11, 2007 (both Districts).

3. Recommendation: Approve departmental invoices as follows:

	<u>August</u>	<u>September</u>	<u>October</u>
District No. 27 (3)	\$5,861.10	\$7,060.96	\$7,851.25
District No. 35 (5)	319.41	246.43	264.37

4. Recommendation: Approve Resolution Adopting the *Records Management Policy of the County Sanitation Districts of Los Angeles County* (Policy) Pursuant to Government Code Sections 60201 and 60203 (both Districts).

5. Recommendation: Approve Investment Policy and Renew Delegation of Authority to District Treasurer (both Districts).

Adjourn

DISTS. 27 AND 35

DECEMBER 11, 2007

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 08/31/07

To:	<u>County Sanitation District No. 27</u> (Org. Receiving Services)	Date Service Accrued:	<u>Aug. 31, 2007</u>
From:	<u>County Sanitation District No. 2</u> (Org. Providing Services)	Date Prepared:	<u>Sep. 20, 2007</u>

DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$ 5,736.28
Joint Administration - Capital	101.75
Local - Capital	23.07

Total of all charges	<u><u>\$ 5,861.10</u></u>
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Recap 008

Document No.	<u>96</u>	Date Board Approved:	<u></u>
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COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 08/31/07

To: County Sanitation District No. 35
(Org. Receiving Services)

Date Service Accrued: Aug. 31, 2007

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: Sep. 20, 2007

DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	217.55
Joint Administration - Capital		101.86

Total of all charges	\$	<u>319.41</u>
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Recap 008

Document No. 102

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 09/30/07

To: County Sanitation District No. 27
(Org. Receiving Services)

Date Service Accrued: Sep. 30, 2007

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: Oct. 17, 2007

DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$ 6,991.22
Joint Administration - Capital	69.74

Total of all charges	<u>\$ 7,060.96</u>
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Recap 012

Document No. 135

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 09/30/07

To: County Sanitation District No. 35
(Org. Receiving Services)

Date Service Accrued: Sep. 30, 2007

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: Oct. 17, 2007

DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	176.56
Joint Administration - Capital		69.87

Total of all charges	\$	246.43
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Recap 012

Document No. 141

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

DEPARTMENTAL INVOICE

FOR THE MONTH ENDED 10/31/07

To: County Sanitation District No. 27
(Org. Receiving Services)

Date Service Accrued: Oct. 31, 2007

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: Nov. 21, 2007

DESCRIPTION

District No. 27 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	7,590.45
Joint Administration - Capital		39.31
Local - Capital		221.49

Total of all charges	\$	<u>7,851.25</u>
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Recap 016

Document No. 174

Date Board Approved: _____

COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY
DEPARTMENTAL INVOICE
FOR THE MONTH ENDED 10/31/07

To: County Sanitation District No. 35
(Org. Receiving Services)

Date Service Accrued: Oct. 31, 2007

From: County Sanitation District No. 2
(Org. Providing Services)

Date Prepared: Nov. 21, 2007

DESCRIPTION

District No. 35 share of expenditures made by District No. 2, the administrative District, in accordance with the authority granted through the approved annual budget and applicable Joint Powers Agreement:

DEBIT:

Operation & Maintenance	\$	225.06
Joint Administration - Capital		39.31

Total of all charges	\$	<u>264.37</u>
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Recap 016

Document No. 180

Date Board Approved: _____

RECORDS MANAGEMENT POLICY

of the

County Sanitation Districts of Los Angeles County

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RECORDS MANAGEMENT POLICY
of the
County Sanitation Districts of Los Angeles County

I. Purpose

This Records Management Policy (Policy) is designed to, among other things, enable the County Sanitation Districts of Los Angeles County ("Districts" or individually "District") to:

1) Efficiently manage and safeguard Business Records that serve an immediate administrative, legal, regulatory, or business purpose (collectively, Business Purpose), while providing for the appropriate disposition of other Business Records.

2) Allow Business Records to be organized and stored to insure timely and efficient retrieval.

3) Achieve compliance with legal, regulatory or administrative requirements with respect to Business Records and Non-Business Records, including, without limitation, addressing pre-litigation concerns, such as the implementation of Legal Holds.

4) This Policy may include subjects that are addressed in other Districts Policies. It is intended that this Policy generally supplement other Districts Policies, and in certain areas, the other Policies are referenced in order for the reader to obtain additional information regarding that subject. However, to the extent that this Policy should be interpreted to conflict with any such other Districts Policies, the requirements of this Policy shall govern.

II. Statutory and Legal Authority

California Government Code Sections 60201 & 60203 provides specific criteria for the disposition or destruction of Business Records created and maintained by California Special Districts, such as the Districts. Specifically, Government Code Sections 60201 (b) (1) - (2) authorizes the Boards of Directors to permit the destruction or disposition of Business Records by:

1. Adopting a resolution finding that the destruction or disposition of any category of Business Records will not adversely affect any interest of the Districts or the public.
2. Maintaining a list, by category (individually, a Record Category; collectively, records categories), of the types of Business Records destroyed or disposed of that reasonably identifies the information contained in the records in each category (the Records Categories are listed in Appendix A to this Policy).

Records Management Policy

Notwithstanding the foregoing, California Government Code 60201 (d) provides that Business Records from the following Records Categories will not be destroyed, except as noted:

- Business Records relating to the formation, change of organization, or reorganization of the District(s).
- Ordinances that have been adopted, except as repealed or are otherwise invalid or unenforceable five years after being repealed, becomes invalid or unenforceable.
- Minutes of any meeting of the District's legislative body.
- Business Records relating to pending claims, litigation, or settlement or disposition of litigation within the past two years.
- Business Records subject to pending Public Records Act requests, whether or not the District(s) maintains that the record is exempt from disclosure, until the request has been granted, or two years have elapsed since the District(s) provided written notice to the requester that the request has been denied.
- Business Records relating to pending construction that the District(s) has not accepted or as to which a stop notice claim may legally be presented.
- Business Records relating to non-discharged debts of the District(s).
- Business Records relating to title to real property to which the District(s) has an interest.
- Business Records relating to non-discharged contracts to which the District(s) is not a party.
- Business Records that have not fulfilled the administrative, fiscal or legal purpose for which they were created or received.
- Unaccepted bids or proposals for the construction or installation of any buildings or other public works which are less than two years old.
- Business Records specifying the amount of compensation paid to Districts employees, officers, independent contractors providing personal or professional service to the Districts, or relate to the expense reimbursements to Districts officers or employees, or to the use of Districts paid credit cards or any travel compensation mechanism until at least seven years after the date of payment.

Federal Rules of Civil Procedure ("Federal Rules") establish requirements for the disclosure of electronic information and the establishment of a robust information management system to provide for the systematic retention and disposition of Business Records, the implementation of "Legal Holds" and interaction with counsel to ensure compliance with these recently promulgated Federal Rules.

This Policy is intended to comply with the requirements under the California Government Code and Federal Rules regarding the electronic documents discussed above. The Policy will be updated from time to time to address compliance with newly enacted requirements such as any new requirements established under California law to conform to the California Rules of Evidence to the Federal Rules.

III. Overview of Policy

Business Records have been placed into appropriate Records Categories based upon their business functions. The Chief Engineer and General Manager, or his authorized designee (Chief Engineer), will establish appropriate retention periods for these Record Categories by considering the following criteria:

- Administrative and operational needs.
- Fiscal requirements.
- Legal requirements.
- Historical requirements.
- Interests of the public and Districts.

The Chief Engineer may rely on the recommendations of Districts staff, Districts counsel and outside consultants to establish appropriate Business Records retention periods, the Records Retention Schedule and related retention and disposition procedures in accordance with this Policy.

IV. Definitions

Confidential Record: Records that are subject to attorney-client privilege, contain proprietary information or trade secrets, or have received a privileged designation under existing law (e.g., employee medical records) are confidential records that are earmarked and protected from unauthorized distribution or access. These Business Records can reside in any format, including paper, electronic, or email.

Document Management System (DMS): This electronic system is a tool for capturing, safeguarding, and providing for the secure access of electronic Business Records. The DMS uses certain Metadata (defined below) to index, track changes and document access, and limits access to its Business Records to only those groups or individuals specified in the Metadata.

Electronic Datasets: These types of Business Records are usually a part of a structured database that when considered by themselves, are not intelligible information. However, when combined with other datasets, the information becomes useful. For example, if you consider a person's name and address, the typical database structure would have the following data sets: (1) first name, (2) last name, (3) street address, (4) city, (5) state, (6) zip code. Taken separately, none of these datasets would be meaningful. But when combined together, the Business Record can be understood as representing the name of a person and his/her address. Datasets should not be released for public inspection until the information has been combined with other datasets in such a manner as to provide accurate and understandable information. Databases that contain datasets are modified over time through the addition, deletion, or revision of information. Reports may be periodically generated to capture or record the information at a point in time. These reports are Business Records. Datasets that are in databases may use a retention period until they are superseded. Once information has been superseded, it is generally lost

Records Management Policy

unless provisions are made to save it as a report. These reports are final Business Records and should be archived or deleted based on the operative Record Category retention period.

Electronic Records: These records include numeric, graphic and text information recorded on any medium capable of being read by a computer and which satisfies the definition of Records. This includes all magnetic media such as tapes, disks, and optical disks, and applies to all electronic information systems, including minicomputers, microcomputers, and mainframe computers regardless of the storage media used, in network or stand-alone configurations. This specifically includes Business Records created using electronic mail applications.

Electronically Stored Information (ESI): This includes all information such as data, files, applications, metadata, and archival data that are digitally stored on a variety of media, including portable phones, PDAs and thumb drives.

Legal Holds: This is the process that safeguards records subject to existing or potential litigation, subpoenas, court orders, or Public Records Act requests from being altered or destroyed. Through this process, Business Records are identified that are deemed pertinent to existing or potential litigation, or to outstanding Public Records Act requests, and places them on "hold" until all pending actions associated with these Business Records have been completed. Existing draft Business Records are subject to Legal Holds. During this "hold" process, the Business Records may not be altered or destroyed in any manner. Legal Holds include "Litigation Holds" as that term is used in the Federal Rules and in other contexts.

Metadata: These are the data that hold information about an electronic Business Record. Information about when the file was created, when it was accessed and by whom, size of the file, etc is included. While this information is not specifically a part of the electronic document, it must be maintained with the Business Record it describes.

Public Records Act: The California Public Records Act, Government Code Sections 6250 et seq.

Record and Business Record: Pursuant to Government Code Section 6252 (as referenced by the California Government Code Section 60201), a record is:

"Any handwriting, printing, photostatting, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication, or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored."

A Business Record is any finalized letter, memorandum, document, photograph, map, drawing, recording, email, or other Record that was created for, or used in the course of

Records Management Policy

conducting Districts business. Once a document has become a final "Business Record," drafts are generally not to be retained unless they serve a compelling business purpose, and then should not be retained longer than the finalized version of that "Business Record." Records that are not Business Records are hereinafter referred to as "Non-Business Records."

Record Copy: The Districts often maintain multiple copies of a single Business Record. The original Business Record is the "record" copy; all other copies are considered to be "convenience" copies and should be destroyed when no longer useful, but not later than the designated retention for the associated Record Copy.

Records Retention Schedule: A Records Retention Schedule is a comprehensive listing of the Record Categories for Business Records that shows the assigned retention period for all Record Categories created and maintained by the Districts.

Vital Records: These are a select group of Business Records that are deemed essential to (a) the resumption or continuation of operations, (b) the determination of the legal and financial status of the Districts, and (c) the fulfillment of obligations to employees, the public and other public agencies following a catastrophic event (e.g. fire, flood, earthquake, terror attack, etc.). Careful planning is needed to ensure that these Business Records are easily available when needed and access plans are incorporated into the Districts Disaster Preparedness plans. Such Business Records would include current accounts payable, accounts receivable, payroll records, Board of Director's Minutes, and engineering drawings for Districts facilities, Operations Manuals, and other Business Records determined by the Chief Engineer to meet the above criteria.

V. Policy

The Policy governs the maintenance and disposition of Business Records and Non-Business Records. This Policy applies to Business Records and Non-Business Records regardless of the medium on which they are stored (e.g., paper, electronic, film, photographs, etc.). Records are to be maintained in a manner that is consistent with this Policy. Those records created during the normal course of conducting the Districts business are, and shall remain, the property of the Districts subject to this Policy, except as otherwise authorized by the Boards of Directors or the Chief Engineer acting under authority granted by the Boards of Directors.

A. Procedure Criteria

The Chief Engineer shall establish procedures related to the implementation of this Policy by considering the following criteria: administrative and operational needs, fiscal requirements, legal requirements, historical requirements, technological capabilities, interests of the public and the Districts, as well as recommendations of Districts staff, Districts counsel, and outside consultants.

B. Basic Records Retention Policy

Business Records are to be disposed based on the retention periods in the Records Retention Schedule pursuant to the procedures established by the Chief Engineer in a manner consistent with this Policy. The Policy also governs the disposition of Non-Business Records. The Chief Engineer is hereby authorized to establish policies in connection with the disposition of Non-Business Records.

Appendix A sets forth Records Categories that group together Business Records with similar business functions or purposes. The Chief Engineer will establish the retention periods for these Records Categories which will be listed on a Records Retention Schedule,

C. Policy Objectives

1. As many electronic Business Records as is feasible are to be stored in the DMS, or other Districts approved electronic system. The Chief Engineer is authorized to implement the appropriate electronic systems and procedures for managing the Districts records.

2. To be useful, Business Records must be easily available when needed. This requires, to the extent feasible given Procedure Criteria, that all Business Records be organized appropriately, and that they are indexed and cross-referenced where necessary, based on procedures to be established and implemented by the Chief Engineer.

3. To the extent feasible, all third parties performing work on behalf of the Districts must comply with, at a minimum, the Policy requirements regarding "Legal Holds" including capturing and safeguarding all records subject to the Districts "Legal Holds" procedures discussed below. The Chief Engineer is authorized to establish and implement procedures to address the compliance of third parties with this Policy.

4. The Districts shall utilize available technology whenever determined feasible by the Chief Engineer using Procedure Criteria to integrate the DMS with electronic system(s) that facilitate the categorization and ultimate disposition of the Districts Business Records.

5. It is recognized that the procedures established and implemented by the Chief Engineer to meet the objectives of this Policy will occur incrementally and will be based on Procedure Criteria. Initially, there will be a strong reliance on manual processes to capture and safeguard the Districts records in accordance with this Policy. As technology and other resources become available, many of the processes described below will be automated in order to streamline and secure these processes in accordance with these procedures.

Records Management Policy

6. Business Records shall not be stored at employees' homes, cars, or other similar locations except as permitted under any procedures implemented by the Chief Engineer and will be returned to the Districts record retention system upon the return of the employee to his regular job site.

7. The Policy supplements certain other Districts Policies listed below.

a) The Code of Conduct Policy dated May 2004, as amended, with respect to the restriction on the use of District's assets for personal use (Section 6), requirement for accurate and reliable records (Section 10), and privacy and confidentiality of certain records (Section 11).

b) Falsification of Data and Records (Personal Bulletin No. 02-72) which prohibits falsification of data and records.

c) The Computer Resources Policy (Personal Bulletin No. 01-70) which, among other things, establishes guidelines for access and use of Internet and email, restricts personal use of all computer and other Districts electronic resources and prohibits certain uses, downloading or distribution of materials.

d) Processing of Personal Mail (Personal Bulletin No. 76-34) restricting non-business mail received at the Districts facilities.

8. It is recognized that Districts policies require the Districts to observe appropriate safeguards in the collection and retention of the Confidential Records. Under this Policy, the Chief Engineer shall implement procedures to earmark and protect Confidential Records and to ensure their confidentiality, as appropriate.

D. Specific Policy Components

1. Management of Paper Records

Paper Business Records can exist as letters, memoranda, photographs printed to paper, drawings, contracts, specifications, etc. They do not require the use of machines to access them, as do Business Records stored on microform, computers, etc. Records Categories provide the ability to store Business Records, regardless of document type, based upon the function and/or project to which they belong. Business Records should be arranged to the extent feasible, in a manner that mirrors the Records Categories. This will streamline the process for the later disposition of the Business Records, whether they will be destroyed, or placed into a permanent or long-term archival environment.

An index is used for managing and locating all paper Business Records and is an essential tool to determine what Business Records exists and where they are located. Paper based Business Records are typically handled as a file. To the extent practical, an

index should be maintained permanently and should include the full history of the file, including creation date, current location, storage history, and ultimately, the destruction date and authorizations for the destruction. This index should be stored in the DMS to assure proper security (to control access as well as ensure there are back-ups in case of program failure) for the index.

2. Management of Microfilm or Microfiche

Microfilm/microfiche shall be managed in much the same manner as paper Business Records. The film/fiche should be arranged in a manner consistent with how the Business Records are accessed.

3. Management of Photographic Records

These may exist in physical format, electronic format, or both. The Chief Engineer is authorized to establish and implement procedures regarding the downloading and placement of pictures into the records retention system and the indexing of same in an appropriate Records Category to determine ultimate disposition.

4. Management of Electronic Business Records

Like paper-based Business Records, electronic Business Records require careful indexing in order to ensure their accessibility at a later time. Business Records, when practicably feasible and consistent with procedures established by the Chief Engineer, are to be placed into the DMS. The DMS requires certain types of information be provided about the document (that is, through the document's profile) that will enable future retrievals of the document as needed based on among other things, Records Categories.

Electronic Business Records existing in the DMS, server, or drive, are routinely copied onto "back-up" tapes or other electronic media solely to restore files lost due to system failure, or other disaster rendering the original files inaccessible in accordance with procedures established by the Chief Engineer. These back-up tapes, or other electronic media, are considered Business Records and will be destroyed in accordance with this Policy under procedures established by the Chief Engineer.

a) Management of Metadata

Care must be taken to ensure that the Metadata is not separated from the Business Record that it describes, or is destroyed prior to the Business Record's destruction. Certain Business Records are required to be maintained permanently because the Districts must maintain information about Business Records they destroy in accordance with procedures to be established and implemented by the Chief Engineer.

b) Management of Electronic Datasets

Datasets must be preserved for as long as they are needed to produce a Business Record that is subject to retention pursuant to the Records Retention Schedule. Once these Business Records have been destroyed, the underlying datasets should also be destroyed.

c) Management of Email Records

Email is another form of an electronic Record. Not all email messages are considered Districts Business Records. An email is a Business Record when the contents are used for, or relate to, the conduct of the Districts business or otherwise fall within the definition of a Business Record. When email is designated as a Business Record, it is subject to the Policy stated herein based on procedures established by the Chief Engineer. Management of emails that are Non-Business Records are also governed by the terms of this Policy and other Districts Policies with respect to Non-Business Records. To the extent feasible, the procedures established by the Chief Engineer should utilize systems that can automatically save Business Records by Records Categories.

5. Management of Miscellaneous Storage Media Containing Records

Business Records also exist using a variety of portable storage media. Examples of these would include floppy disks, external hard drives such as the "USB" plug-in devices, tapes, PDAs, CDs, DVDs, digital cameras, or other similar devices. The Chief Engineer is authorized to establish procedures based on Procedure Criteria for Business Records related to these forms of media in order to comply, to the extent feasible, with this Policy.

7. Storage and Location of Business Records

The Chief Engineer shall develop and implement procedures regarding the appropriate location and storage of the Districts Business Records to efficiently manage and safeguard these records consistent with this Policy.

E. Legal Holds

Occasionally, it is necessary to stop the alteration or destruction of Business Records due to Legal Holds. The Chief Engineer and General Manager will develop and implement procedures for the protection of records subject to Legal Holds. All records subject to Legal Holds must be preserved in the format in which they exist. This includes all relevant Business Records in the email system, on servers, tapes, disks, and databases maintained by the Districts. Under Policy Section V.C.3, third parties are to be subject to these procedures. Finally, when the Business Records that must be produced have been identified, the Districts must harvest the requisite data from all Business Records, regardless of the media in which they reside and safeguard them until the Legal Hold has terminated in accordance with procedures established by the Chief Engineer. The procedures will be designed to minimize any alteration of the impacted Business

Records, including changes to the Metadata, during the Business Records-harvesting process. Legal counsel will play an active role in the Legal Holds process in order for Legal Counsel to comply with its obligations under the Federal Rules or as otherwise may be required by law.

F. Disposition of Business Records and Non-Business Records

When Business Records have met their established retention requirements and are identified as eligible for destruction, and/or when Non-Business Records are eligible for destruction under procedures established by the Chief Engineer, a Records Destruction Authorization Process will begin in accordance with procedures established and implemented by the Chief Engineer.

G. Staff Training

The Records Administrator and/or other staff or third parties such as consultants designated by the Chief Engineer shall hold training sessions for Districts employees, and other interested parties regarding the Districts Policy and related procedures. In addition, the Records Administrator shall train the Records Coordinators about their assigned responsibilities. These training sessions shall be offered as deemed appropriate by the Chief Engineer. When and as feasible, the Chief Engineer shall cause an updated records manual with the Policy and related procedures to be available on the Districts intranet. Participation in the Policy training sessions shall be mandatory.

H. Program Compliance

After this Policy and specific procedures have been implemented, Districts employees will be required to acknowledge, in writing, their receipt of the Policy and said procedures and their agreement to adhere to same. The Districts Internal Audit Program shall audit compliance with the Policy and the Records Retention Schedule in accordance with procedures established by the Chief Engineer. Results of the internal audit shall be circulated in accordance with procedures established by the Chief Engineer. The Chief Engineer is authorized to establish procedures for disciplining employees for non-compliance with this Policy.

I. Program Implementation

This Policy will be implemented incrementally in accordance with procedures established by the Chief Engineer. Generally speaking, this process will include:

- Training for staff members, and others doing work on behalf of the Districts.
- The elements of the procedures.
- Educating staff members about what retention periods have been assigned to their Department's records. This will assist the Districts in complying with the Records Retention Schedule and related procedures.

Records Management Policy

- The introduction of equipment, software applications, and related procedures, as appropriate.
- Maintenance of charts, diagrams or other documentation (ESI Profile) summarizing the records and information managements system as currently in place in accordance with the Policy and procedures established by the Chief Engineer for the review of counsel and others in order to satisfy their obligations under the Federal Rules or other applicable law.

J. Index

An Index shall be developed and maintained that provides a map to where the Districts records are stored. The Districts currently utilize a variety of systems (both electronic and paper-based) for the maintenance of their records, resulting in the use of a variety of record formats and media. The index will include the following information:

- Type of record
- Type of media
- Electronic system the record resides in, if applicable
- Physical location of the record, if applicable

The Chief Engineer shall determine the appropriate system that will be utilized to develop and maintain the records index.

K. Responsibilities

Records Administrator: The Records Administrator shall, under the direction of the Chief Engineer, implement the Policy and related procedures, train Districts personnel on how to maintain their Business Records in accordance with the established Policy and procedures, and provide additional training to the Records Coordinators who will be appointed in each department and/or section to function as the department's records liaison. The Records Administrator shall also oversee the destruction or disposition of Business Records. In addition, the Records Administrator shall work with Districts counsel to assist them in becoming familiar with the Districts manual and electronic recordkeeping systems. As a liaison, the Records Administrator will also monitor Legal Holds. The Records Administrator shall also work with the Records Management Committee, described below, to keep the Policy and Records Retention Schedule current and relevant to the Districts operations. In addition, the Records Administrator will conduct a periodic review of current Policy and related procedures to ensure that they are meeting the needs of the Districts and the requirements of this Policy and make recommendations for revisions to the Policy, if necessary which will be presented to the Records Management Committee for review. Finally, as a part of the Policy, the Records Administrator shall be responsible for working with the Districts departments to ensure their compliance with this Policy.

Records Management Committee: To ensure that the Records Management Policy continues to meet the needs of the Districts, a Records Management Committee shall be

Records Management Policy

formed consisting of management-level representatives from each department, legal counsel, and the Districts Chief Accountant. This Committee shall convene annually or more frequently if needed, to review the existing Policy and Records Retention Schedule. The Districts Boards of Directors must approve any recommended changes to the Policy. Procedural changes require the approval of the Chief Engineer. The Records Administrator shall coordinate all activities associated with this Committee.

Records Coordinator: Each department and/or section shall appoint a person (Records Coordinator) who shall function as the liaison between the Department/Section and the Records Administrator. The Records Coordinators are charged with ensuring that their Department's/Section's records are in compliance with the Records Management Policy, and in particular, the Records Retention Schedule. The Records Coordinator will assure cooperation with periodic audits undertaken in connection with this Policy and procedures established by the Chief Engineer.

Records Custodian: The Chief Engineer shall, from time to time, appoint a designated representative or representatives who is/are knowledgeable about the Districts records and information systems to testify, under oath, about the Districts Policy, records and information systems and procedures.

Legal Counsel: The Districts shall rely upon its legal counsel to advise the Districts of changes to the laws that affect the Policy and the Records Retention Schedule and to assist the Districts to properly execute Legal Holds to safeguard records that may be subject to same and to comply with requirements placed on legal counsel under the Federal Rules or as may otherwise be required by law.

Chief Accountant: The Chief Accountant shall approve the destruction of all Business Records to ensure that Districts Business Records are available for pending audits.

Departmental Engineer / Departmental Manager: The appropriate Departmental Engineer or Departmental Manager must approve all Business Records for destruction. This will help to ensure that Business Records subject to incomplete administrative, legal, or fiscal reviews are not inadvertently destroyed.

VI. Authorization to Implement

The Chief Engineer is authorized to implement this Policy, and is directed and authorized to establish the appropriate procedures necessary to support this Policy based on Procedure Criteria. The Chief Engineer shall assign retention periods to the Records Categories and update these retention periods as needed. Any new classification of Records Categories must be approved by the Boards of Directors in accordance with Government Code Sections 60201 (b) (1) - (2).

County Sanitation District No. ____*

of

Los Angeles County

***Same Policy for Districts Nos. 17, 27, and 35**

Investment Policy

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County Sanitation District No. ____ of Los Angeles County

Policy Statement:

This investment policy of County Sanitation District No. ____ of Los Angeles County (District) provides for the prudent investment of the District's funds and the efficient management of investment activities. It is intended that this policy cover all investment activities under the direct control of the District.

Prudent Investor Standard:

This policy shall be implemented in accordance with the standard for governing bodies or persons authorized to make investment decisions on behalf of public bodies. This standard is set forth in Section 53600.3 of the Government Code which, effective January 1, 1997, provides in part:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

Authority:

By prior action of the District's Board of Directors the Chief Engineer and General Manager is the Fiscal Officer of the District and by this action is formally appointed Treasurer of the District. The District's Board of Directors hereby delegates to the Treasurer the authority to manage, deposit and invest District funds in accordance with this policy and all provisions of law. The District Treasurer shall develop procedures to fully implement this policy in accordance with this delegation of authority, and shall report to this Board in accordance with the requirements of law and this investment policy.

Investment Objectives:

This policy shall also be implemented in accordance with the legislative direction concerning objectives of a trustee. This standard is set forth in Section 53600.5 of the Government Code, which, effective January 1, 1997, provides in part:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.”

Safety of Principal: In safeguarding the principal of District funds the District Treasurer shall evaluate or cause to have evaluated each potential investment, seeking both quality in issuer and in underlying security or collateral, and shall diversify the portfolio to reduce exposure to loss.

Liquidity: In order to meet the District’s liquidity needs, investments shall be made so that maturity dates are compatible with cash flow requirements, and when required, permit easy and rapid conversion into cash.

Return on Investments: Investments shall be undertaken to produce a market rate of return after first considering safety of principal and liquidity.

Investment Placement:

The District Treasurer will continue to invest District funds with the County of Los Angeles, both in the Pooled Surplus Investment Fund and in specific investments purchased through the Los Angeles County Treasurer, and also with the State of California Local Agency Investment Fund. The District Treasurer shall continuously evaluate the District’s cash flow requirements and when it is determined that funds are available for longer term investments, the District Treasurer shall, after conferring with the Los Angeles County Treasurer, purchase specific investments through the Los Angeles County Treasurer consistent with the financial needs of the District.

Investment Safekeeping:

With respect to specific investments, to ensure a high degree of internal safety all certificates or other evidence of securities or other investments purchased for the District shall be held for safekeeping by the Los Angeles County Treasurer, in a manner that reflects the District’s ownership.

Maximum Maturities:

The District Treasurer shall match investments with anticipated cash flow requirements. The District Treasurer will not invest in securities maturing more than five (5) years from the date of purchase unless approved by the District's Board of Directors, either specifically or as a part of an investment program, at least (3) months prior to purchase.

Reporting Requirements:

In accordance with Government Code Section 53646, the District Treasurer shall prepare and submit a quarterly report to the Board of Directors. The quarterly report shall comply with applicable law and shall in any event include the security type, issuer, investment yield, date of maturity, par value, amount invested, current market value and source of this valuation. Any investments in state or local county pools will be included with a summary of its most recent investment statement.

Internal Control:

In addition to the certified public accountant's yearly independent audit of the District, quarterly audits of the investment portfolio shall be conducted by the District's Chief Accountant to ensure compliance with the investment policy and procedures provided for hereby.

Investment Policy Adoption:

This policy shall be reviewed on an annual basis and any modifications made thereto shall be approved by the District's Board of Directors. Prior to such review, the matter will be referred to the Personnel Committee (comprised of the Chairperson of each Board) for its consideration.

Adopted this _____ day of _____ .

